

STATE OF THE ECONOMY:
FEWER JOBS, LONGER UNEMPLOYMENT, AND FALLING INCOMES
January 12, 2008

- As of December 2008, there are **11.1 million unemployed persons** in the U.S., for all sectors of the economy combined. In addition, when part-time and discouraged workers who want full-time jobs are included, the number of unemployed/under-employed workers increases to 21.7 million.
- The unemployment rate in December 2008 was **7.2 percent** -- **the highest it has been in 15 years**, and substantially above both the 4.2 percent rate when the Bush Administration took office in January 2000, and the 4.9 percent rate as of December 2007, the beginning of the current recession. In addition, when part-time and discouraged workers who want full-time jobs are included, the unemployment rate is 14 percent.
- The National Bureau of Economic Research recently determined that the current recession began in December 2007. At 13 months and counting, the current recession is already longer than the two most recent recessions the nation experienced in 1990-91 and 2001, each of which lasted eight months. If it continues beyond 16 months, **the current recession will be the longest since the Great Depression.**
- From the start of the recession in December 2007 through December 2008, **the number of unemployed persons has increased by 3.6 million.**
- The **construction sector** has been particularly hard-hit. It lost 261,000 jobs in 2007, and an additional 632,000 jobs in 2008. The unemployment rate in construction was **15.3 percent** in December 2008 – up 5.9 points since December 2007. This is the highest unemployment rate of any industrial sector. As of December 2008, **there are 1,438,000 unemployed construction workers** in the nation – that's 470,000 more unemployed construction workers than in December 2007, and 713,000 more than in December 2006.
- Within the overall construction sector, seasonally adjusted employment in heavy and civil engineering construction has fallen in each of the past 14 months, from 999,500 in October 2007, to 907,500 in December 2008, a loss of 92,000 jobs. Heavy and civil engineering construction employment is now the lowest it has been since August 2004.
- Moreover, after workers have lost their jobs, they have had more trouble finding new jobs. The **average length of unemployment is now 19.7 weeks**, compared to 16.5 weeks in December 2007 at the start of the recession. The **number of workers who have been unemployed for longer than six months is now 2.6 million, compared to 1.3 million in December 2007.** One-half of the unemployed have been out of work for more than 10 weeks and nearly one in four has been out of work for more than six months.
- In addition, more than 8 million people are working only part-time, either because of slack economic conditions or because they could only find part-time employment. An additional **2.6 million people have completely dropped out of the labor force because they cannot find work,** and therefore are not counted as unemployed.